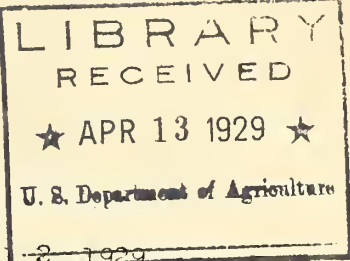


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UNITED STATES DEPARTMENT OF AGRICULTURE
BUREAU OF AGRICULTURAL ECONOMICS
Division of Statistical and
Historical Research



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UNITED STATES AGRICULTURAL TRADE WITH THE PHILIPPINES

In the five years 1923 to 1927, imports into the United States of agricultural products from the Philippine Islands were valued at an average of \$94,000,000 annually. American exports of agricultural products to the Philippines for the same period averaged \$10,000,000 a year. The trade indicated has always shown a large balance in favor of the Islands.

The principal agricultural items in the American exports to the Philippines for the years mentioned were wheat flour, butter, condensed and evaporated milk, fresh, canned and dried fruit and vegetables, and cigarettes. About 80 per cent of the wheat flour, practically all of the condensed and evaporated milk, 20 per cent of the butter, and most of the fresh, canned and dried fruit and vegetables imported into the Philippines come from the United States. Exports of tobacco and cigars from the Philippines to the United States are partly balanced by the imports of American cigarettes into the Islands. The Philippines offer a free market for all American agricultural products, but duties are assessed on foreign goods.

Leading agricultural items imported into the United States are sugar, coconut oil, copra, manila hemp, tobacco and cigars. Between the 2 five-year periods 1910-1914 and 1923-1927, imports of sugar from the Philippines increased 240 per cent, and of copra and coconut oil over 1,000 per cent. Manila hemp has become relatively less important in our trade with the Philippines and imports of that product averaged only slightly higher in 1923-1927 than in 1910-1914. For the bulk of commodities, however, there is a definite upward trend in both imports and exports.

Total exports of all merchandise from the United States to the Islands for the five years 1923-1927, averaged \$60,000,000 annually and imports from the Philippines about \$100,000,000, leaving a balance in favor of the Islands of \$40,000,000. During that period about 95 per cent of the imports from the Philippines consisted of agricultural products, while less than 20 per cent of the exports to the Philippines could be so classified. Of the total import trade of the Philippines in 1928, 62 per cent by value came from the United States, about the

same as in 1927. Exports to the United States in 1928 accounted for about 74 per cent of the Islands' total exports against 74.5 per cent in 1927.

Of the non-agricultural products, cotton manufactures make up the most important item imported into the Philippines. The United States supplies on the average more than one-half of the cotton goods brought into the country. Exports of cotton manufactures, almost entirely piece goods, from the United States to the Philippines averaged \$13,260,000 annually in value during the five-year period 1923-1927. Other important non-agricultural products exported to the Philippines from the United States are: Iron and steel products, mineral oil, and automotive products.

United States imports from the Philippines

Coconut oil and copra

Practically all of the coconut oil and copra brought into the United States at present comes from the Philippines. About 97 per cent of the Philippines exports of coconut oil and 70 per cent of the copra go to the United States. Imports of coconut oil into the United States increased from an average of less than 10,000 short tons annually before the war to about 112,000 short tons yearly during 1923 to 1927. During the same period, imports of copra increased from 13,000 short tons to 140,000 short tons. For both products the trend in imports has been definitely upward during the past ten years. Coconut oil is mainly used in the United States in butter substitutes and soap. In both of these products coconut oil has become the chief ingredient. The fact that coconut oil has a higher melting point than most vegetable oils accounts for its position. There is, however, considerable substitution among vegetable oils. Cottonseed oil is the principal domestically produced vegetable oil with which coconut oil competes. Coconut oil has an advantage over cottonseed oil in that it does not have to be hydrogenized before use.

Cottonseed oil and coconut oil are the only two vegetable oils used to any extent for making margarine. In 1912 margarine was composed of 60 per cent to 70 per cent of animal fats, while cottonseed oil was the main vegetable oil used. In 1917 coconut oil was introduced in the manufacture of margarine and rapidly increased until in 1925-26 it amounted to 45 per cent of all the fats used and more than all the animal fats combined, while cottonseed accounted for 10 per cent. In soap making coconut oil is the most important of vegetable fats. In 1912 coconut oil furnished only 10 per cent of the materials used; by 1923 it had risen to 23 per cent, according to the United States Tariff Commission. A survey made by the Census Bureau in 1925 shows that 200,000,000 pounds of coconut oil were used in soap as compared with 73,000,000 pounds of palm oil, 66,000,000 pounds of cottonseed oil (including fats but not fatty acids), and 291,000,000 pounds of tallow. Coconut oil is usually more expensive than either tallow or palm oil.

COCONUT OIL AND COPRA: Total exports from the Philippines and exports to the United States, averages 1899-1918, annual 1919-1927

Year	Coconut oil		Copra	
	Total	To United	Total	To United
	exports	States	exports	States
	: 1,000 pounds:	: 1,000 pounds:	: 1,000 pounds:	: 1,000 pounds:
Average 1899-1903 ...	1	0	112,057	149
1904-1908 ...	1,912	1,006	137,137	2,854
1909-1913 ...	2,209	966	263,087	26,240
1914-1918 ...	89,056	87,810	196,631	87,384
Annual 1919	308,518	188,222	53,322	5,101
1920	171,013	158,610	56,885	3,159
1921	199,058	177,479	331,429	116,687
1922	236,351	235,110	381,510	196,999
1923	196,613	186,835	456,641	284,964
1924	246,097	243,734	345,598	237,054
1925	229,561	212,466	323,435	256,082
1926	258,580	253,379	383,647	284,572
1927	319,233	312,147	439,419	347,945

Annual Report of the Consular Collector of Customs, December 31, 1927.

Sugar

In the five years 1923 to 1927 imports of sugar into the United States from the Philippine Islands averaged about 400,000 short tons annually, or about 7 per cent of the sugar brought into continental United States from outside sources. This compares with takings for the same period from Cuba of 3,800,000 tons, or 70 per cent, and from other sources, largely sugar entered free from Porto Rico, Hawaii, and the Virgin Islands, of 1,300,000 tons, or 23 per cent. Of the total sugar consumption of the United States, about 20 per cent comes from domestic production, 60 per cent from Cuba, 6-1/2 per cent from the Philippines, and practically all of the remaining third from Porto Rico, Hawaii and the Virgin Islands. Most Cuban sugar pays a duty of either \$1.73 or \$1.76 per 100 pounds, according to the degree of polarization. Those rates are 20 per cent below the general tariff on other foreign sugars of similar polarization;

SUGAR: Total exports from the Philippines and exports to the United States, averages 1899-1918, annual 1919-1927

Year	Total		Year	Total	
	To United	States		To United	States
	exports	States		exports	States
	: Short tons:	: Short tons:		: Short tons:	: Short tons:
Average	:	:	Annual 1921	319,530	165,873
1899-1903	86,375	14,044	1922	399,112	269,900
1904-1908	131,759	30,653	1923	299,807	254,141
1909-1913	179,510	111,559	1924	394,436	331,646
1914-1918	278,698	121,852	1925	602,773	511,455
Annual 1919	149,979	35,449	1926	453,301	376,222
1920	198,790	136,616	1927	609,929	560,318

Source: Annual Report of the Insular Collector of Customs, December 31, 1927.

Tobacco

Imports of tobacco and cigars from the Philippines do not appear to compete seriously with American producers of cigar leaf. The Philippine tobacco is mostly of a lower grade and of different quality. Imports of Philippine cigars into the United States averaged \$5,135,000 annually in value during 1923-1927. Imports of Philippine tobacco averaged only \$252,000 annually.

Manila hemp

Manila hemp accounts for about 17 per cent of the total value of the agricultural products imported from the Philippines. Imports in the five years 1923-1927 averaged about 74,000 short tons annually compared with 70,000 in 1910-1914.

MANILA HEMP: Total exports from the Philippines and exports to the United States, averages 1899-1918, annual 1919-1927

Year	: Total :To United :		Year	: Total :To United :	
	: exports :	States :		: exports :	States :
		: Short tons:			: Short tons:
Average	:	:	Annual 1921	: 110,673 :	38,093
1899-1903	: 119,160 :	46,510 :	1922	: 189,625 :	92,091
1904-1908	: 133,758 :	66,974 :	1923	: 209,924 :	90,907
1909-1913	: 170,699 :	80,201 :	1924	: 195,451 :	85,119
1914-1918	: 161,910 :	81,160 :	1925	: 166,474 :	66,052
Annual 1919	: 133,652 :	72,211 :	1926	: 169,802 :	68,187
1920	: 155,960 :	73,900 :	1927	: 164,051 :	53,512
	:	:		:	:

Source: Annual Report of the Insular Collector of Customs, December 31, 1927.

United States exports to the Philippines

Exports of agricultural products to the Philippines consist largely of processed foodstuffs. The total value of the agricultural products exported to the Philippines from the United States in 1923-1927 averaged about 10 per cent of the agricultural imports from the Islands during the same period. The trend of the trade is definitely upward, however, and, under conditions prevailing at present, additional growth is probable.

Prepared milk

Exports of condensed and evaporated milk from the United States to the Philippines increased from an average of 2,292,000 pounds in 1910-1914 to 17,889,000 pounds in 1923-1927. The duty on condensed and evaporated milk from other sources is now 10 per cent ad valorem. Practically all of the condensed and evaporated milk now imported into the Philippines comes from the United States.

Wheat and flour

Exports of wheat flour and wheat constitutes about one-third of the total value of agricultural products exported to the Philippines. Exports of wheat flour from the United States increased from 279,000 barrels in 1910-1914 to an average of 600,000 barrels in 1923-1927. American flour enters the Philippines free of duty, while flour from other sources now pays a duty of 47 cents per 100 kilos (42 cents per barrel). About 80 per cent of the wheat flour imported into the Philippines at present comes from the United States.

WHEAT FLOUR: Total imports into the Philippines and imports from the United States, averages 1899-1918, annual 1919-1927

Year	Total imports	From United States	Year	Total imports	From United States
	Barrels	Barrels		Barrels	Barrels
Average			Annual 1921	463,496	297,058
1899-1903	116,548	89,941	1922	472,397	358,199
1904-1908	177,626	103,914	1923	591,513	467,397
1909-1913	371,010	243,357	1924	701,623	579,302
1914-1918	353,583	184,595	1925	783,049	664,668
Annual 1919	527,934	14,999	1926	753,817	552,489
1920	513,841	219,456	1927	759,247	655,818

Source: Annual Report of the Insular Collector of Customs, December 31, 1927.

Butter, fruit and vegetables

Exports of butter from the United States to the Philippines increased from 19,232 pounds annually during 1910-1914 to 211,000 pounds during 1923-1927. But the latter figure shows a reduction from the average imports of 266,000 pounds during 1913-1922. This reduction has been due to the increased competition of Australian and New Zealand butter. The duty on foreign butter is now 6 cents per kilo (2.7 cents per pound). About one-fourth of the butter imported into the Philippines during recent years has come from the United States.

American fresh fruits, such as apples, oranges, grapes and lemons, as well as dried and canned fruit and vegetables dominate the Philippine market.

History of tariff relations with the Philippine Islands

The first tariff act dealing with the trade relations of the Philippine Islands and the United States was put into effect March 8, 1902. It provided that all articles coming from the Philippines, which were grown or produced there, were only required to pay 75 per cent of the regular duties on these articles. Exports from the United States to the Philippines paid the full Philippine duty, however, due to the treaty of Paris, which provided in part, that Spain should have the same advantages in tariff duties for ten years that the United States received. This provision of the treaty did not expire until January 1, 1909.

Due mainly to this treaty arrangement with Spain, no change was made in the tariff situation between the Philippine Islands and the United States until August 5, 1909. In the United States tariff act of that date, it was provided, with certain exceptions, that articles, the growth and production of the Philippine Islands, should be admitted free of duty to the United States. Rice was not permitted to enter this country from the Philippines. Manufactured articles containing more than 20 per cent of their total value of foreign materials, or upon which a drawback of customs duties had been paid, or both, were subject to duty. It also provided that, in any fiscal year, sugar in excess of 300,000 gross tons, wrapper tobacco and filler tobacco when mixed or packed with more than 15 per cent of wrapper tobacco in excess of 300,000 pounds, filler tobacco in excess of 1,000,000 pounds, and cigars in excess of 150,000,000 cigars could not enter free of duty. It also provided that foreign importations of tobacco or sugar into the Philippines be subject to the same duty imposed by the United States on these commodities.

In 1913, the principle of free trade was established with the Philippines in all articles except Philippine manufactures which contained over 20 per cent in total value of foreign materials, or upon which foreign materials a drawback of customs had been paid, or both, and except manufactures of the United States upon which a drawback had been paid. This tariff policy of 1913 between the Philippine Islands and the United States remains with a few minor modifications in force today.

AGRICULTURAL PRODUCTS: Principal items exported from the United States to the Philippines, average 1910-1914, annual 1918-1927

Year	Wheat flour	Evaporated: and condensed milk	Cigarettes	Apples	Grapes	Butter
	Barrels	1,000 pounds	Millions	Boxes	Pounds	Pounds
Average						
1910-14	278,717	2,292	4,332	17,016	a/	19,230
1918	22	8,039	84,299	34,733	a/	151,782
1919	54,904	14,086	73,295	47,046	a/	255,070
1920	143,469	12,463	245,795	33,078	a/	328,831
1921	254,755	11,586	153,031	31,902	a/	256,349
1922	415,610	6,937	171,705	77,502	245,310	362,336
1923	504,484	12,220	183,926	112,347	308,507	236,668
1924	702,323	16,356	298,042	159,992	366,001	227,461
1925	563,988	19,095	395,308	113,310	879,493	185,736
1926	609,520	19,851	485,462	106,537	823,954	248,473
1927	634,677	20,422	532,402	135,128	1,294,337	158,952

Source: Commerce and Navigation of the United States.
a/ Not stated separately.

AGRICULTURAL PRODUCTS: Principal items imported into the United States from the Philippines, average 1910-1914, annual 1918-1927

Year	Cane sugar	Copra	Coconut oil	Manila hemp
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Average				
1910-1914	232,340	26,159	a/ 18,500	70,513
1918	135,603	127,954	245,402	78,305
1919	175,873	16,360	201,311	68,044
1920	291,716	22,718	153,181	66,675
1921	329,755	82,796	163,966	30,904
1922	549,617	193,092	224,153	75,068
1923	475,771	259,896	180,700	105,026
1924	678,014	238,579	224,635	81,040
1925	985,549	284,059	232,499	62,167
1926	760,871	275,696	245,129	69,005
1927	1,061,030	341,389	239,370	51,210

Source: Commerce and Navigation of the United States. a/ Average exports for two years 1913 and 1914 from Philippines to the United States.

AGRICULTURAL PRODUCTS: Exports from the United States to the Philippines,
1923 to 1927

Year	1923	1924	1925	1926	1927	Average 1923-1927
	1,000	1,000	1,000	1,000	1,000	1,000
	dollars	dollars	dollars	dollars	dollars	dollars
Wheat flour and other grain preparations . . .	3,057	4,055	4,297	4,307	4,054	3,954
Fruits, fresh, dried, and canned	601	774	800	787	845	761
Vegetables, fresh, dried and canned	383	433	468	454	413	430
Butter, cheese, and condensed milk	1,880	2,357	2,738	2,827	2,796	2,520
Pork products and other meats	146	159	264	227	272	214
Canned meats	102	96	182	128	152	132
Tobacco and cigarettes	1,071	1,603	1,988	1,949	2,015	1,725
Sugar (refined)	63	45	39	46	29	44
Vegetable and animal fats, oils and greases	155	121	92	86	117	114
All others	138	192	236	221	231	204
Total	7,596	9,835	11,104	11,032	10,924	10,098

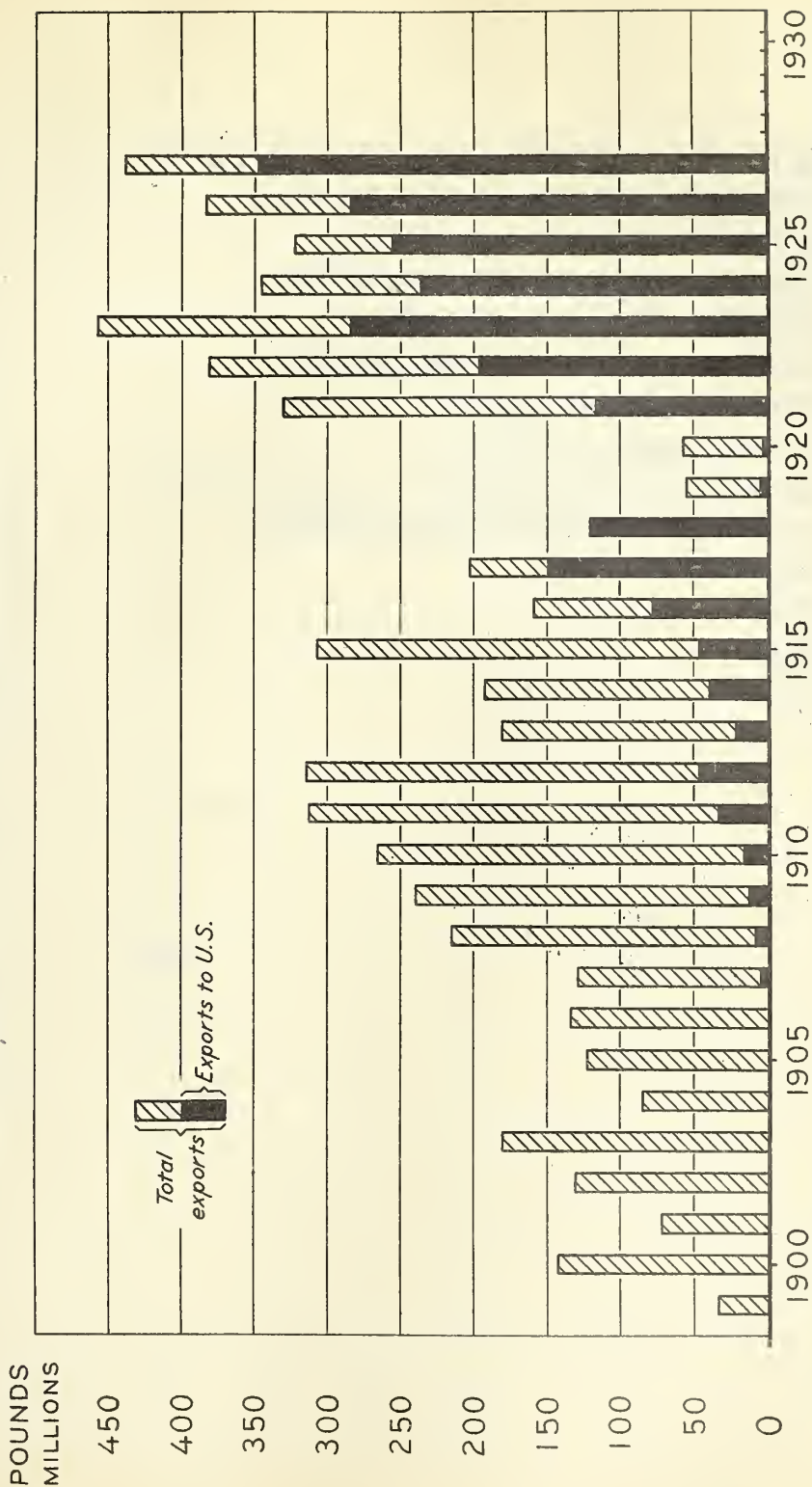
Source: Commerce and Navigation of the United States.

AGRICULTURAL PRODUCTS: Imports into the United States from
the Philippines, 1923 to 1927

Year	1923	1924	1925	1926	1927	Average 1923-1927
	1,000	1,000	1,000	1,000	1,000	1,000
	dollars	dollars	dollars	dollars	dollars	dollars
Cane sugar	29,550	39,465	42,130	29,606	47,598	37,670
Coconut oil and copra	23,395	27,796	33,648	36,125	38,013	31,795
Other coconut products	1,513	2,363	2,843	3,100	3,473	2,658
Manila hemp and other fibers	14,250	15,033	19,252	19,346	14,148	16,406
Tobacco and cigars	5,799	4,863	5,320	5,243	4,448	5,135
Total	74,507	89,520	103,193	93,420	107,680	93,664

Source: Commerce and Navigation of the United States.

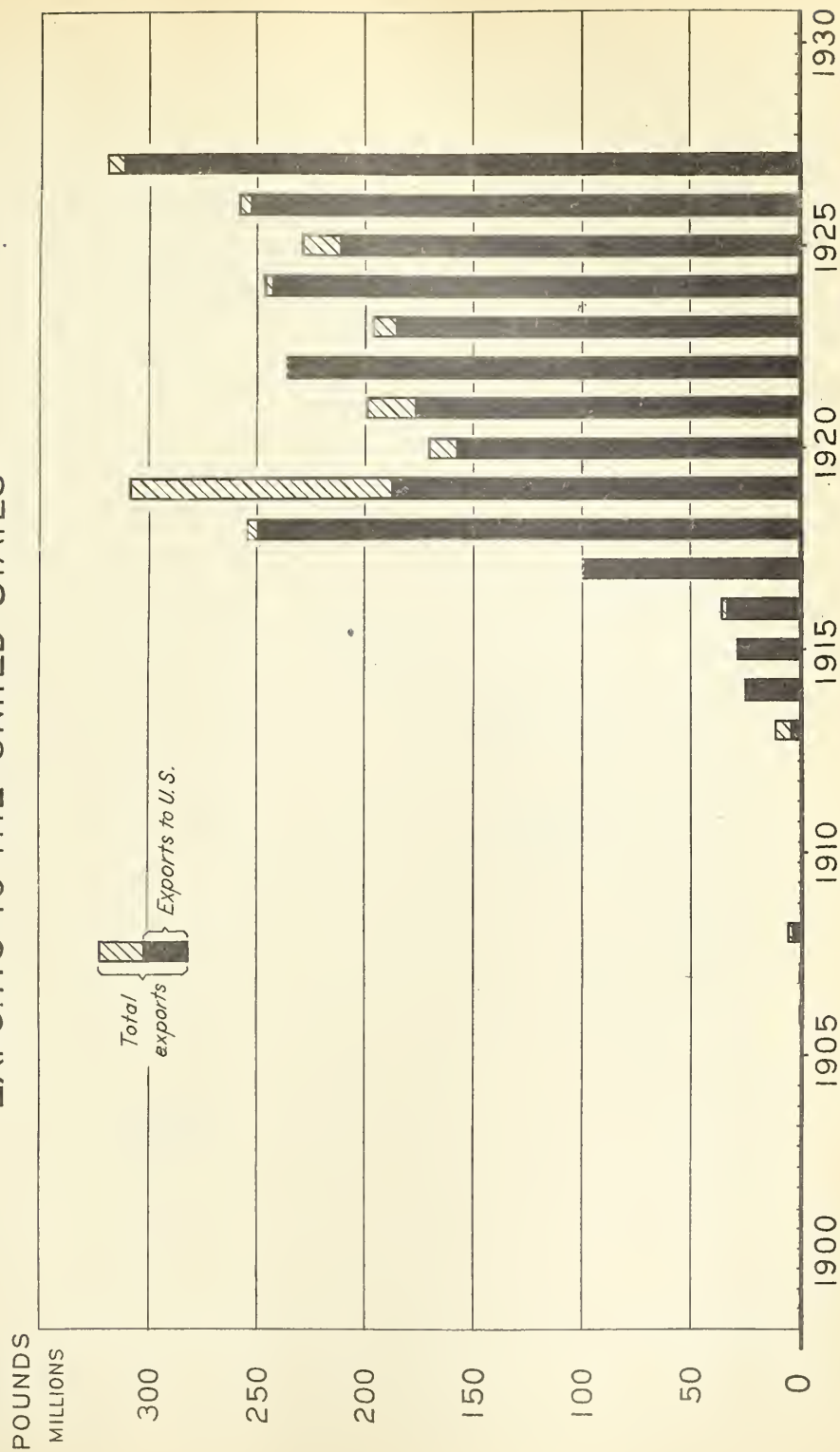
COPRA: TOTAL EXPORTS FROM THE PHILIPPINES AND EXPORTS TO THE UNITED STATES



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COCONUT OIL: TOTAL EXPORTS FROM THE PHILIPPINES AND EXPORTS TO THE UNITED STATES

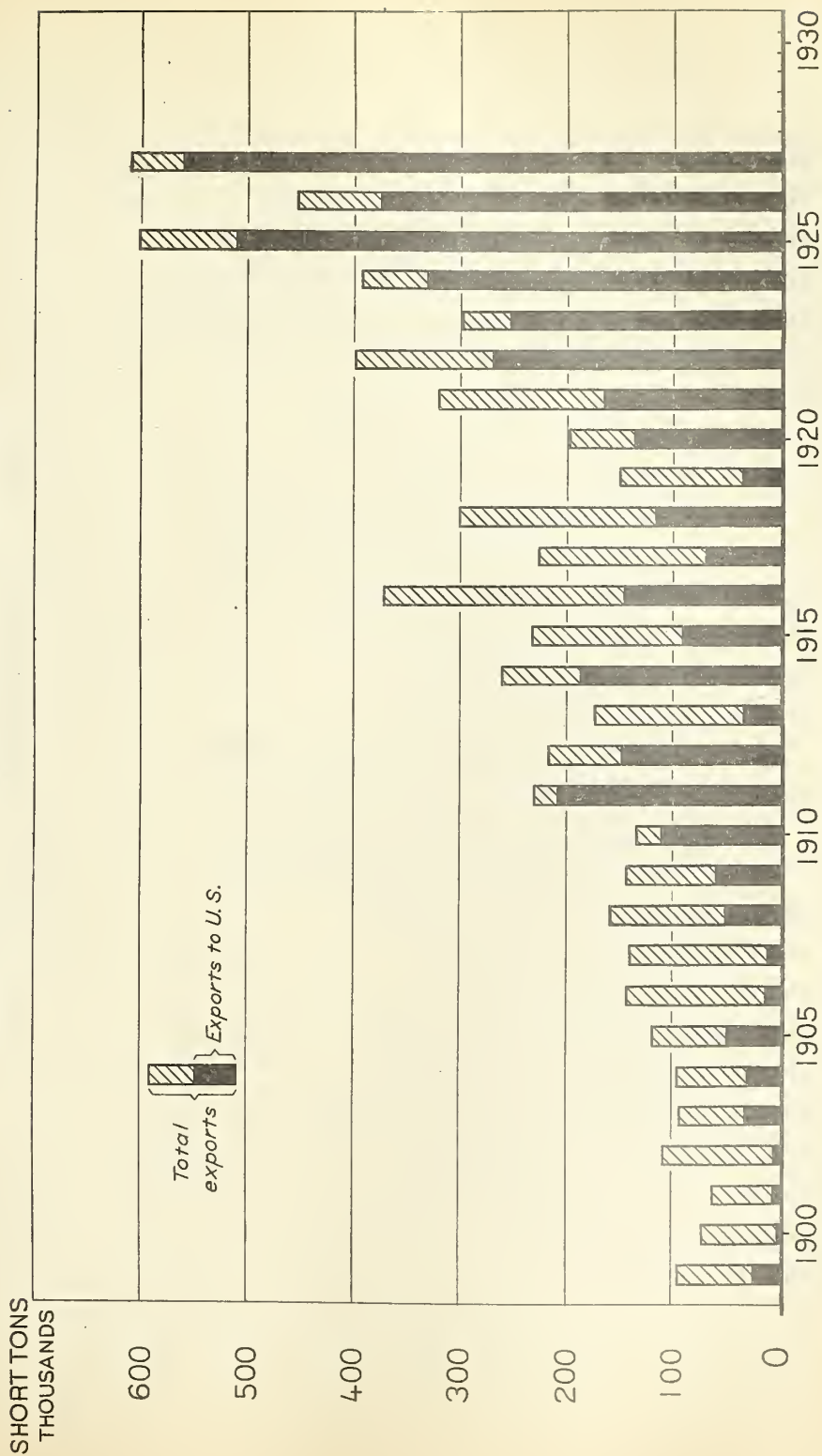


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SUGAR: TOTAL EXPORTS FROM THE PHILIPPINES AND EXPORTS TO THE UNITED STATES

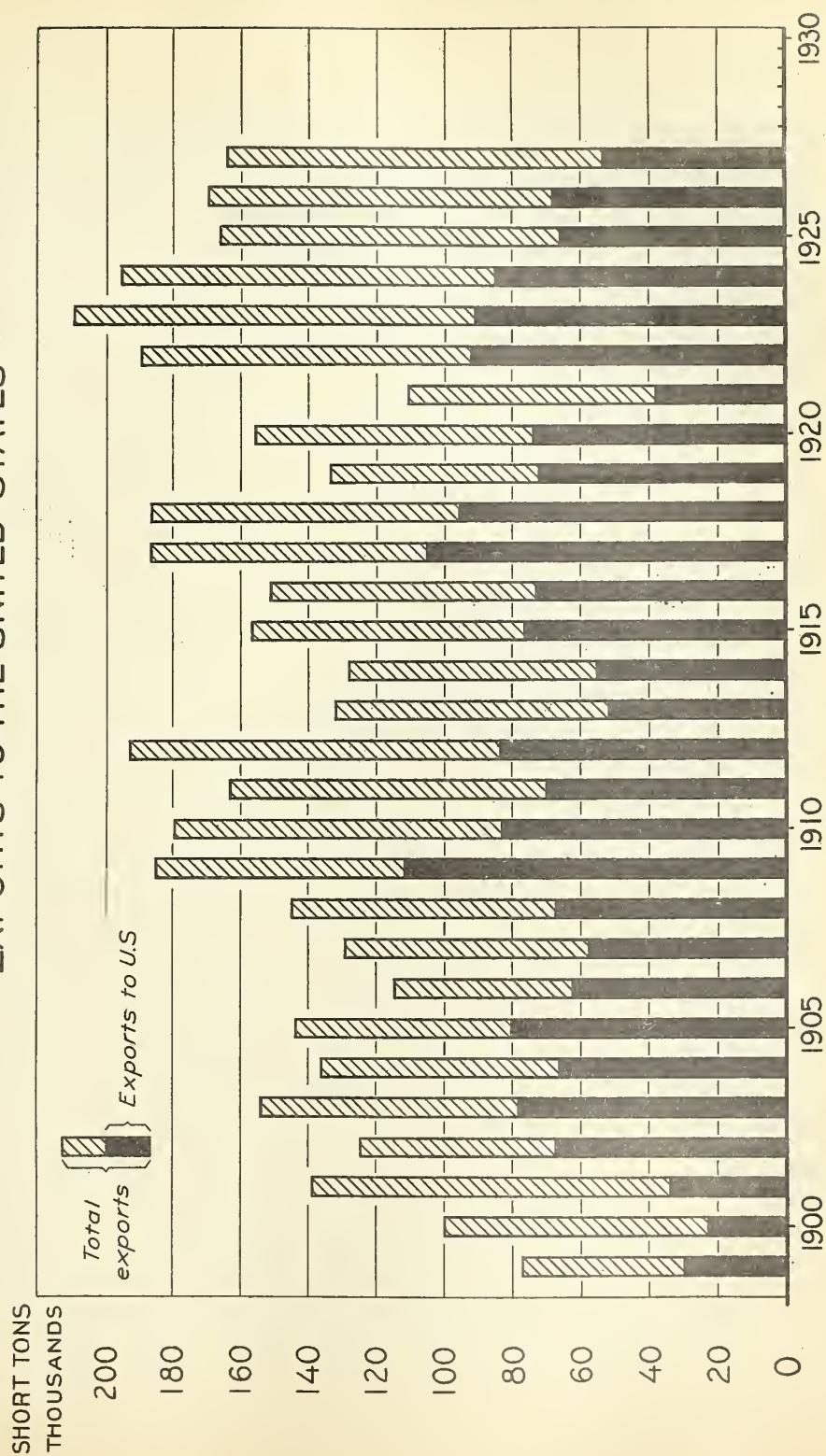


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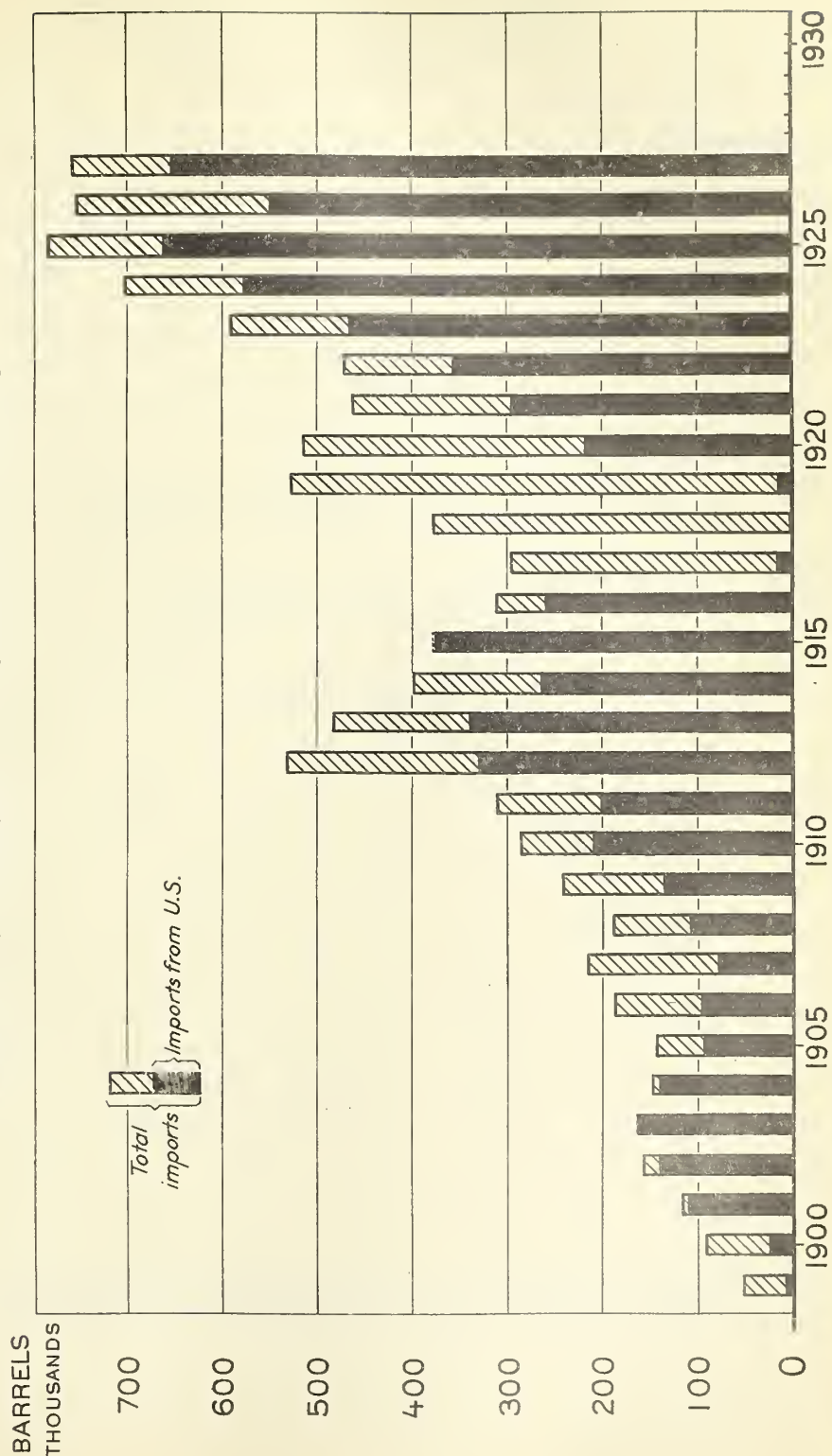
MANILA HEMP: TOTAL EXPORTS FROM THE PHILIPPINES AND EXPORTS TO THE UNITED STATES



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WHEAT FLOUR: TOTAL IMPORTS INTO THE PHILIPPINES AND IMPORTS FROM THE UNITED STATES



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